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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

BAIRD, EDWARD J

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/809,383	Applicant(s) SONNEK ET AL.	
	Examiner Ed Baird	Art Unit 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 February 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-28 is/are pending in the application.
- 4a) Of the above claim(s) 6, 14, 22 and 26 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-5, 7-13, 15-21, 23-25, 27, and 28 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Applicant has amended claims 7, 8, 15, 16, 23, and 24. No claims have been added or canceled. Claims 6, 14, 22 and 26 had been canceled prior to the previous office action. Thus, claims 1 – 5, 7 – 13, 15 – 21, 23 – 25, 27, and 28 remain pending and are presented for inspection.

Response to Arguments

1. Applicant's arguments filed 24 February 2009 have been fully considered but they are not persuasive.
2. Examiner acknowledges amendments to **claims 15 and 16** to overcome objections and, in turn, withdraws objections.
3. Applicant's arguments filed with respect to claims 1, 9, 17, and 25 regarding the 35 U.S.C. § 112, first paragraph rejections, failing to comply with enablement requirement, [Remarks page 13, 2nd full paragraph – page 14, top of page] have been fully considered but they are not persuasive.

Applicant argues that the specification contains a **definition** of a “Book value” (i.e. Asset component which contains the amortized acquisition value and the results of all valuations performed - e.g. valuation in the subsection, valuation in the foreign exchange - Page 22 line 10 - Page 23 line 3) and **where** a book value can be found (i.e. “a book value for each object is automatically ascertained from an accounting system and a market value for each object is also automatically ascertained - Page 4 lines 22 – 23), and that “[a] program can automatically **query** the book value and/ or the acquisition value of the objects contained in the system from the database in the accounting system at settable intervals of time - Page 7 lines 9 - 11). However, it is not

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clear to the examiner in the claim language (emphasis added) how it is determined.

(N.B. “querying” a value or “ascertaining” one from a system is not “determining” it).

Applicant also argues one of ordinary skill in the art would be able to “determine a book value” because the “book value” is defined as an “asset component” which contains the “amortized acquisition value and results of all valuations performed” and that amortization is not beyond the skill of one of ordinary skill in the art.

To one having ordinary skill in the art, determine a book value mean calculating a value based on some formulas and inputs thereto. Examiner suggest if “determining a book value” means “obtaining objects from a database in an accounting system” as the Applicant has implied, and or calculating a value from such objects, the claim language should be revised to reflect the same.

For purposes of examination, the limitation “automatically determining, by a processor, a book value for each object in an accounting system” will be interpreted to read: “automatically **reading**, by a processor, a book value for each object in **from an** accounting system”. Appropriate correction is required.

4. Examiner acknowledges amendments to **claims 7, 8, 15, 16, 23, and 24** to overcome 35 U.S.C. § 112, 2nd paragraph rejections and, in turn, withdraws rejections.
5. Applicant's arguments filed with respect to **claims 1, 9, 17, and 25** regarding the 35 U.S.C. § 103(a) rejections have been fully considered but they are not persuasive.
6. Applicant argues that a *prima facie* case of obviousness has not been established with respect to claims 1 – 5, 7 – 13, 15 – 21, 23 – 25, 27, and 28 with respect to **Brown** [Remarks page 14, 2nd full paragraph – page 15, 1st full paragraph]. However, Examiner respectfully disagrees.

The examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there

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is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, **Brown** discloses a method and apparatus for automatically managing investment portfolios which tracks a selected index and automatically harvests tax losses; the system includes an accounting system for maintaining tax lot information [Abstract]. **Jones** discloses a financial advisory system which determines optimized portfolio allocations based on estimated future scenarios of one or more economic factors [column 2 lines 55 – 63]. **Fickes** discloses a system and method for defining the value of a corporation by its categories of values, and determining the risk profile of the corporation by the relationship between these categories [Abstract]. **Adhikari**, too, discloses a method and system related to determining valuations of business entities [Abstract]. Clearly, these references are all related art to the instant invention of automatic evaluation of balance sheet objects.

7. Applicant argues **Brown** does not teach “*automatically forming an intermediate variable from the book value and the market value*” [Remarks page 15, 2nd full paragraph – page 16, 2nd full paragraph]. However, Examiner respectfully disagrees.

Brown clearly discloses a *present market value* (Applicant’s **market value**) and stored *historical cost value* (Applicant’s **book value**) for each tax lot [0033]. **Brown** further discloses that for each tax lot, the *difference* between the *present market value* of the security and a *past historical value* of the security is calculated and compared to a predetermined tax loss threshold [0014]. The Examiner clarifies that this *difference* is analogous to Applicant’s **intermediate variable** in that it is calculated from both the (*present*) *market value* and *past historical value* (Applicant’s **book value**). Examiner

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notes that a **book value** is a *historical value* and that *historical values*, as disclosed by **Brown**, are inclusive of Applicant's **book values**.

To further Examiner's point, **Brown** [claim 1] claims the limitations:

- periodically calculating a difference between a present value and a past value for each of at least some of the plurality of securities comprising the investment portfolio; and
- automatically selling the securities to harvest tax losses when the difference between the present value and the past value of the security is determined to reach or exceed a predetermined tax loss threshold.

Examiner again notes *present value* and *past value* as analogous to Applicant's **market value** and **book value**, respectively. Hence, the *difference* as claimed by **Brown** is analogous to Applicant's **intermediate variable**.

8. Applicant argues **Jones** does not *remedy the deficiencies of Brown* [Remarks page 16, 3rd full paragraph]. However, these arguments are irrelevant based on discussion of **Brown's** disclosure above.

9. Regarding **claims 9, 17, and 25**, Applicant argues neither **Fickes, Adhikari**, nor **Official Notice** remedies *the deficiencies of Brown and Jones* [Remarks page 17, 1st full paragraph]. However, these arguments are irrelevant based on discussion of **Brown's** disclosure above.

10. Hence, Examiner maintains 35 U.S.C. § 103(a) rejections.

Claim Rejections - 35 USC § 112

11. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

12. Claims 1, 9, 17, and 25 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement.

13. **Claims 1, 9, 17, and 25** contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claim language recites “determining a book value”. The specification does not describe determining the book value. The closest statement referring to this determination is on page 7 where “the book value of an object may change over time, such as a result of credit entries or transfer postings”.

For purposes of examination, the claim language will be interpreted to read “inputting a book value”. Appropriate correction is required.

Claim Rejections - 35 USC § 103

14. The following is a quotation of 35 U.S.C. 103 (a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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15. Claim 1 – 5, 9 – 13, and 17 – 21 are rejected under 35 U.S.C. 103 (a) as being unpatentable over **Brown et al** (US Pub. No. 2002/0059127) in view of **Jones et al** (US Patent No. 7,016,870).

16. Regarding **claim 1**, **Brown** teaches:

- automatically determining [sic], by a processor, a book value for each object in an accounting system [see at least 0018 and 0031. Examiner interprets *cost basis or then present value of each individual security* as analogous to Applicant's **book value**. Examiner notes that because rebalancing, tax loss harvesting, and trading functions are performed automatically by computerized systems [0018], automatically determining the book value is inherent in his method].
- automatically determining a market value for each object [0033].
- automatically forming an intermediate variable from the book value and the market value [0033. Examiner interprets *current index value* as analogous to Applicant's **intermediate variable**];
- automatically testing the intermediate variable to determine whether it satisfies one or more presettable conditions [0042 and 0043. Examiner interprets *tax loss harvesting process* as including Applicant's **automatically testing the intermediate variable**]; and

Brown does not explicitly disclose:

- presenting advice for a degree to which the conditions are satisfied on a display before a sale or purchase of each object

However, **Jones** discloses a financial advisory system which produces forecasts for financial advisory services [column 3 lines 40 – 57]. He further discloses recommending portfolio allocations [column 17 lines 44 – 62] and recommending a fixed

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target asset-mix [column 19 lines 10 – 18] as well as other investment mix/ balancing strategies throughout. He further discloses displaying asset allocation for optimal portfolios [column 7 line 56 – column 8 line 2] and alerts to notify users of advice [column 28 lines 24 – 37].

Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention to modify **Brown's** invention to include *recommending portfolio allocations* as taught by **Jones** because an investor can make decisions on asset scenarios generated by a pricing module [**Jones** column 9 lines 6 - 31].

17. Regarding **claims 2, 10, and 18**, **Brown** teaches balance sheet objects as securities [see at least 0013 to 0017].

18. Regarding **claim 3, 11, and 19**, **Brown** teaches the market value as the price of the object multiplied by the number of units available [see at least 0041 to 0043].

19. Regarding **claims 4, 12, and 20**, **Brown** teaches the intermediate variable as a difference between the book value and the market value [see at least 0034. Examiner interprets the difference between *the present market value* and *the stored historical cost value* as analogous to Applicant's **intermediate variable**].

20. Regarding **claims 5, 13, and 21**, **Brown** teaches presettable condition as the disparity between the intermediate value and a maximum disparity for the intermediate variable [see at least 0034. Examiner interprets *predetermined loss threshold* as analogous to Applicant's **maximum disparity for the intermediate variable**] ascertained over a settable period of time by a presettable amount [see at least 0041].

21. **Claims 9 and 17** are a system claim and an apparatus claim, respectively, substantially similar to the method of claim 1, and are thus rejected for the same reasons.

22. Claim 7, 8, 15, 16, and 23 – 25 are rejected under 35 U.S.C. 103 (a) as being unpatentable over **Brown** in view of **Jones** in further view of **Fickes** (US Pub. No. 2005/0262014).

23. Regarding **claim 7**, **Brown** teaches:

- the calculated impairment price as a market price for the object [see at least 0034. Examiner interprets *present market value of each security* as analogous to Applicant's **impairment price**].

Neither **Brown** nor **Jones** explicitly discloses displaying such prices.

However, **Fickes** discloses a system and method for defining values of corporations by its categories of values, and determining risk profiles accordingly [Abstract]. These values include Category I - - Current Realizable Value, Category II -- Value of Existing Business, Category III -- Infrastructure Value, and Category IV -- Venture Value. Categories II through IV represent values over (or under) Category I [see at least 0073 to 0081]. **Fickes** further discloses displaying values of the "metrics" for a company. Examiner interprets these *metrics* are being inclusive of Applicant's **calculated impairment price** as a market price (*Category I - - Current Realizable Value*).

Therefore, it would have been obvious to a person having an ordinary skill in the art at the time of **Brown's** invention to include *displaying a calculated impairment price as a market price* as taught by **Fickes** because it allows a user to the user to build a logical set of criteria for defining a peer group by specifying [sic] lower and upper boundaries for any number of metrics [**Fickes** 0133].

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24. Regarding **claim 8**, **Brown** does not explicitly disclose:

- the calculated impairment price as a market price for the object increased or reduced by a presettable value, and
- displaying a calculated impairment price (from claim 1).

Neither **Brown** nor **Jones** explicitly discloses displaying such prices.

However, **Fickes** discloses a system and method for defining values of corporations by its categories of values, and determining risk profiles accordingly [Abstract]. These values include Category I -- Current Realizable Value, Category II -- Value of Existing Business, Category III -- Infrastructure Value, and Category IV -- Venture Value. Categories II through IV represent values over (or under) Category I [see at least 0073 to 0081]. **Fickes** further discloses displaying values of the “metrics” for a company. Examiner interprets these *metrics* are being inclusive of Applicant’s **impairment price** as a market price for the object increased or reduced by a presettable value as in *Categories II through IV* discussed herein.

Therefore, it would have been obvious to a person having an ordinary skill in the art at the time of **Brown’s** invention to include *displaying a calculated impairment price as a market price for the object increased or reduced by a presettable value* as taught by **Fickes** because it allows a user to the user to build a logical set of criteria for defining a peer group by specifying [sic] lower and upper boundaries for any number of metrics [**Fickes** 0133].

25. **Claims 15 and 16** are system claims parallel to the methods of claims 7 and 8, respectively, and are thus rejected for the same reasons.

26. **Claims 23 and 24** are apparatus claims parallel to the methods of claims 7 and 8, respectively, and are thus rejected for the same reasons.

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27. Regarding **claim 25**, **Brown** teaches:

- automatically determining, by a processor, a book value for each object in an accounting system;
- automatically determining a market value for each object;
- automatically forming an intermediate variable from the book value and the market value;
- automatically testing the intermediate variable to determine whether it satisfies one or more presettable

as discussed in the rejection of claim 1. **Brown** also teaches:

- automatic formation of the intermediate variable from the book value and the market value further comprises automatically **calculating an intermediate variable** [see at least 0033. Examiner interprets *current index value* as analogous to Applicant's **intermediate variable**];
- automatically testing the intermediate variable to determine whether it satisfies one or more presettable conditions is testing the disparity between the intermediate variable and an average value for the intermediate variable ascertained [see at least 0033 and 0034. Examiner interprets *stored historic cost value* as analogous to Applicant's **average value for the intermediate variable**]
- . . . over a settable period of time by a presettable amount [see at least 0032 to 0034. Examiner interprets *predetermined loss threshold* as analogous to Applicant's **presettable amount**].

Neither **Brown** nor **Jones** explicitly discloses:

- displaying a calculated impairment price.

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However, **Fickes** discloses a system and method for defining values of corporations by its categories of values, and determining risk profiles accordingly [Abstract]. These values include Category I -- Current Realizable Value, Category II -- Value of Existing Business, Category III -- Infrastructure Value, and Category IV -- Venture Value. Categories II through IV represent values over (or under) Category I [see at least 0073 to 0081]. **Fickes** further discloses displaying values of the “metrics” for a company [00134]. Examiner interprets these *metrics* are being inclusive of Applicant’s **impairment price**.

Therefore, it would have been obvious to a person having an ordinary skill in the art at the time of **Brown’s** invention to include *displaying an impairment price* as taught by **Fickes** because it allows a user to build a logical set of criteria for defining a peer group by specifying [sic] lower and upper boundaries for any number of metrics [**Fickes** 0133].

28. Claim 27 is rejected under 35 U.S.C. 103 (a) as being unpatentable over **Brown** in view of **Jones** in further view of **Fickes** in further view of **Adhikari** (US Pub. No. 2004/0158479).

29. Regarding **claim 27**, neither **Brown**, **Jones**, nor **Fickes** explicitly disclose:

- a calculated impairment price is displayed comprises drawing attention to the manner and degree to which the presettable conditions are satisfied by means of a screen icon.

However, **Adhikari** discloses methods and systems for calculating business valuations and using iterative processes to generate a maximum business value based on conditions and requirements of interested parties [0002]. He further discloses the use of a “best value” **icon** which generates and displays an optimized value representing

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required Buyer Equity [see at least 0060, 0069, 0076, and 0083]. Examiner interprets *Buyer Equity* as analogous to Applicant's **impairment price**.

Therefore, it would have been obvious to a person having an ordinary skill in the art at the time of **Brown's** invention to include *using a "best value" icon to generate and display optimized values* as taught by **Adhikari** because it allows a user maximum versatility in determining the factors most critical to a transaction and in calculating the best value of part of a transaction [**Adhikari** 0086].

30. Claim 28 is rejected under 35 U.S.C. 103 (a) as being unpatentable over **Brown** in view of **Jones** in further view of **Fickes** in further view of **Adhikari** and **Official Notice**.

31. Regarding **claim 28**, neither **Brown**, **Fickes**, or **Adhikari** explicitly disclose:

- displaying a calculated impairment price further comprises **displaying the difference between an amortized acquisition value of the object and an impairment value** of the object

However, **Fickes** discloses determining *Category I, II, III, and IV values* [see at least 0073 to 0082] and displaying related "metric" values [00134]. **Fickes** defines Category III - - Infrastructure values are defined as "the discounted value of expected future cash flows from business which can reasonably be expected to be produced in future years, from new sales" [0079]. Examiner interprets this "*discounted value*" as analogous to Applicant's **amortized acquisition value**. Although **Fickes** does not explicitly disclose the "*difference*" between the **amortized acquisition value and an impairment value of the object**, it would have been obvious to one skilled in the art at the time of **Fickes** disclosure to include the difference in that it would show a user the disparity between determined "values" for a business.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ed Baird whose telephone number is (571)270-3330. The examiner can normally be reached on Monday - Thursday 7:30 am - 5:00 pm Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles R. Kyle can be reached on 571-272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Ed Baird/
Examiner, Art Unit 3695

/Narayanswamy Subramanian/
Primary Examiner, Art Unit 3695